



Tenn. Code Ann. § 65-4-113(b) provides the standards by which the Authority shall consider an application for transfer of authority, in pertinent part, as follows:

(b) Upon petition for approval of the transfer of authority to provide utility services, the authority shall take into consideration all relevant factors, including, but not limited to, the suitability, the financial responsibility, and capability of the proposed transferee to perform efficiently the utility services to be transferred and the benefit to the consuming public to be gained from the transfer. . . .<sup>1</sup>

### **The Application**

According to the *Application*, which was filed on November 19, 2001, Adelphia-Tennessee will merge with Adelphia-Atlantic, and control of Adelphia-Nashville will transfer to Adelphia-Atlantic. Adelphia-Tennessee and Adelphia-Atlantic are Delaware corporations and wholly-owned subsidiaries of Adelphia Business Solutions, Inc. ("ABS"), a publicly-traded Delaware corporation. Adelphia-Atlantic is authorized to provide facilities-based and resold local exchange and interexchange telecommunications services in the State of New York. Adelphia-Tennessee holds no certifications.

The *Application* further states that Adelphia-Nashville is a Delaware limited partnership and is indirectly owned by ABSI. On December 6, 1999, Adelphia-Nashville was certificated by the Authority to provide resold and facilities-based local exchange and interexchange telecommunications services in Tennessee in Docket No. 98-00732.

Applicants request that the Authority approve, pursuant to Tenn. Code Ann. § 65-4-113,

---

<sup>1</sup> Though Adelphia-Nashville will remain intact and continue to operate pursuant to its current certification, direct ownership and control of Adelphia-Nashville will change. Tenn. Code Ann. § 65-4-101 defines a public utility, as it pertains to telephone utilities, as:

[E]very individual, copartnership, association, corporation, or joint stock company, its lessees, trustees, or receivers, appointed by any court whatsoever, that own, operate, manage or control, within the state, any... telecommunications services... plant or equipment, affected by and dedicated to the public use...

Since the corporation that directly owns, manages, and controls Adelphia-Nashville's telecommunications assets will change, this transaction includes a tacit transfer of Adelphia-Nashville's certification.

an internal reorganization and change of control of Adelphia-Nashville to Adelphia-Atlantic. Applicants also request approval of the merger of Adelphia-Atlantic and Adelphia-Tennessee, but, as neither of these entities is certificated in Tennessee, approval of this merger is not required. The *Application* states that ABSI is streamlining its operations, but that it will remain the ultimate parent of both Adelphia-Atlantic and Adelphia-Nashville. With the merger of Adelphia-Tennessee and Adelphia-Atlantic, with Adelphia-Atlantic as the surviving entity, Adelphia-Tennessee's ninety-five percent (95%) controlling interest in Adelphia-Nashville will transfer to Adelphia-Atlantic.

### **Public Interest Considerations**

According to the *Application*, the transaction will not affect end-user services and will be virtually transparent to customers. Following the transaction, Adelphia-Nashville will continue to provide the end-user local switched services, switched and dedicated access services, and other telecommunications services that it currently provides. Therefore, according to the *Application*, consumers will continue to receive the same high-quality, innovative and diversified telecommunications services, at the same rates, terms and conditions that they currently receive, from the same entity, Adelphia-Nashville, without interruption. Adelphia-Nashville will continue to provide service in Tennessee using the same network, billing systems and customer service operations, and utilizing the same staff, as it currently uses.

### **Findings**

The Directors of the Authority considered this matter at the December 4, 2001 Authority Conference. Based upon careful consideration of the *Application*, the Authority finds and concludes as follows:

1. The Authority has jurisdiction over the subject matter of this *Application* pursuant to Tenn. Code Ann. § 65-4-113;

2. Adelphia Business Solutions of Nashville, L.P. has been granted authority to provide telecommunications services in Tennessee;

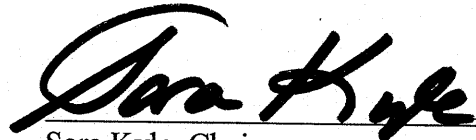
3. The authority granted Adelphia Business Solutions of Nashville, L.P. will be transferred to Adelphia Business Solutions Atlantic, Inc.;

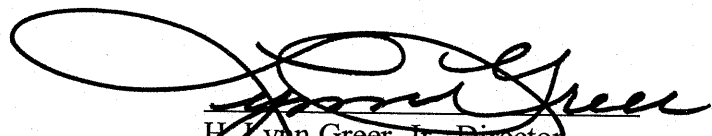
4. Adelphia Business Solutions Atlantic, Inc. has the suitability, financial responsibility, and capability to perform efficiently the utility service to be transferred to it; and

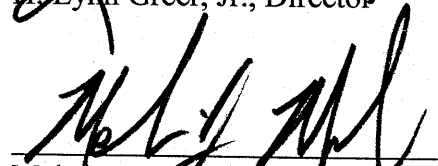
5. The transfer of authority will benefit the consuming public.

**IT IS THEREFORE ORDERED THAT:**

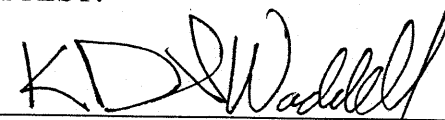
The *Application* of Adelphia Business Solutions of Tennessee, Inc., Adelphia Business Solutions of Nashville, L.P., and Adelphia Business Solutions Atlantic, Inc. for approval of the transfer of authority described herein is approved.

  
Sara Kyle, Chairman

  
H. Lynn Greer, Jr., Director

  
Melvin J. Malone, Director

ATTEST:

  
K. David Waddell, Executive Secretary